Saskatchewan Agriculture and Food

Farm and Food Report, Week of March 12, 2007

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Government of Saskatchewan

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SASKATCHEWAN ORGANICS ON THE WORLD STAGE

The business of organics shows no signs of slowing down.

A delegation of 10 Saskatchewan organic and natural product companies has just returned from the largest organic trade show in the world.

The trade mission to "BioFach 2007" in Nuremburg, Germany was organized by the Saskatchewan Trade and Export Partnership (STEP). The group was part of the Canadian Pavilion, which was organized by Agriculture and Agri-Food Canada.

STEP's Director of Agri-Value Trade Development Jennifer Evancio says that, overall, the results are very positive.

"Companies are going for different reasons. Some go to reinforce their position in the market, some are there to scope out the market, and some are there to make sales," she said. "This show was a success for all of the companies that participated."

BioFach is an enormous event, with more than 116 countries represented. The World Organic Trade Fair saw more than 2,500 exhibitors, and roughly 45,000 trade visitors.

"That's the great thing about this show – it's trade focused. It is not a consumer show: it is a trade show for business-to-business," Evancio said.

She said Saskatchewan is in a unique position when it comes to the organic industry. In other industries, buyers and distributors think of Canada as a whole. However, in the organics sector, Saskatchewan itself is well-known internationally as a leading exporter of high-quality organic goods.

"In the organics sector, our companies have done an excellent job pushing forward their capabilities to supply products. Some of that ties back into our key strengths in the organics and natural foods industry – grains, oilseeds, wild rice, hemp, flax and bison," she said. "But in addition to that, you are also seeing some of the value-added food ingredients and finished food products that people are looking for moving up the chain."

In fact, Saskatchewan had the largest number of Canadian exhibitors and participants at BioFach. Saskatchewan also has the largest number of certified organic producers at 1,245, and the largest acreage of certified organic farmland in Canada at 700,000 acres.

Evancio says that having a national organic standard is also a market advantage, especially for the European market.

"Europe is one of the key markets for our organic products. There is an interest in healthy living, safe and healthy foods, environmental responsibility, and animal welfare," she explained.

"All those kinds of trends have contributed to their interest in organics and natural food products, and sourcing them from trusted suppliers."

One of the highlights of the BioFach show for the Saskatchewan delegation was the cooking demonstration using

Saskatchewan organic and natural food products. The demonstration was made possible through funding from Saskatchewan Agriculture and Food.

Chef Tim Wasylko cooked up some tasty recipes using products available from Saskatchewan's organic and natural food processors, including roasted flaxseed, flour, breakfast cereals, pulses, pea fiber, pancake mix, soup mixes, hemp products, wild rice, wild mushrooms, bison, pure oat food alternatives, and processed oil products.

"The cooking demonstration was another level of interaction between buyers and suppliers. It's one thing to sample a product; it's entirely another to sample the product in a finished recipe," Evancio said. "It was really the organic cherry on top."

For more information, contact:
Jennifer Evancio, Director of Agri-Value Trade Development
Saskatchewan Trade and Export Partnership
Phone: (306) 537-3877

Government of Saskatchewan

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Phone: (306) 787-5140

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CANOLA CONVENTION LOOKING TO LONG TERM

The big players in one of the most significant Saskatchewan crops will be meeting at a national conference this month to strategize on the future of their industry.

More than 200 people representing all facets of the canola industry, including growers, input suppliers, crushers, processors, exporters, researchers, regulators and marketers, will converge at the national "Canola – Growing Great 2015" conference to discuss a strategic plan for the booming crop between now and 2015.

Canola is a multi-billion dollar industry, the impact of which continues to expand in Saskatchewan. Canola production last year in the province was nearly four million tonnes.

Saskatchewan Canola Growers President Darin Egert will be attending the conference in Victoria, B.C. from March 20 to 23, and says it will be an important event for the industry.

"This convention will attract the whole industry, from the growers to the crushers to the grain companies to the final product producers, so you are mixing with everyone in the entire canola industry," Egert said. "It's the place to be."

The convention is focused on exploring the mega-trends in food and fuel in North America and around the world.

Egert says developing a strategy that looks as far ahead as 2015 is the right approach.

"I think the canola industry has always had a long-term view. The goals have to be pretty long-term to get all the steps that have to be taken, such as increasing yield, increasing oil content, and increasing the amount of acres that can be seeded through different agronomic practice and different varieties," Egert stated.

"So it's something you don't want to rush into. We want to make sure we do everything in the right order so that we are not oversupplying."

The conference speakers' list is both distinguished and international. Laurie Demeritt, president of the Hartman Group, and David Hughes, professor emeritus of food marketing at Imperial College in London, will address food trends.

The editor of Oil World, Thomas Mielke of Hamburg, Germany, and Greg Webb of Archer Daniels Midland, will lead the discussion of biofuels, present and future.

Jim Williams, president of WTRG Economics in Arkansas, will talk about the relationship of the petroleum and renewable fuel industries in North America.

Syngenta is the lead sponsor, with partner sponsors BASF, Bayer CropScience, Cargill Limited, the Canadian Canola Growers Association, Monsanto Canada, and Pioneer Hi-Bred. Other sponsors are Archer Daniels Midland, Bunge, Louis Dreyfus, Dow AgroSciences, Mitsui and Company, RBC Royal Bank, and TD Canada Trust Agriculture Services.

More details, as well as registration information, can be found on the conference website at www.canola-council.org/conference/index.htm.

For more information, contact:

Darin Egert, President
Saskatchewan Canola Growers Association
Phone: (306) 937-2005

Diane Wreford, Assistant Vice-President, Public Affairs
Canola Council of Canada
Phone: (204) 982-2108
Email: wreford@canola-council.org

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2007 CROP INSURANCE DEADLINE APPROACHING

The deadline for producers to apply for 2007 Crop Insurance is fast approaching. Applications, changes, or cancellations must be made by March 31.

This year's crop insurance program has some new options and a significant increase in coverage for producers.

Saskatchewan Crop Insurance Corporation (SCIC) General Manager Stan Benjamin says one new feature of the program is the Variable Price Option. Benjamin says the idea is to provide customers with an opportunity to receive compensation that reflects current market values.

"The price option that we pay for any bushels that are lost is set in July, rather than the price that we offer as a fixed price option, which is based on a January forecast," he said. "So the intent is for producers who want to have the flexibility that if they do lose a bushel, they can be paid a more current price."

Saskatchewan Agriculture and Food Minister Mark Wartman announced the details of the program last month.

"The 2007 Crop Insurance program has been improved and enhanced in many ways," he said. "With this year's program, Saskatchewan Crop Insurance continues its commitment to developing and delivering insurance products and services that meet the needs of Saskatchewan's diverse agriculture industry."

That diversity includes the introduction of a Wild Rice Insurance Pilot Program, developed to support the expanding number of wild rice producers in northern Saskatchewan.

Benjamin says the new program is a recognition that the wild rice crop is growing in significance, with more than 55,000 permitted acres of production and more than 100 wild rice producers.

"For the last number of years, wild rice producers in northern Saskatchewan have been contacting us about having access to the production risk management that farmers in the south do. So we have developed an area-based program. There will be an area production value set, and if there is less harvested production than the production guarantee in that region, then all those who signed up for the program will be paid a loss," Benjamin said.

"This is the type of program that we usually develop when we first bring a crop into the program, because we are inexperienced with insuring the crop, or do not have sufficient data to provide insurance on an individual basis."

The 2007 Crop Insurance program has also added coverage for identity-preserved canola, expanded the Crop Averaging Pilot Program to the entire province, and expanded the establishment benefit to cover gopher damage.

For the second year in a row, program debt has been reduced, improving from a deficit of $627 million in 2004 to $340 million going into 2007.

Benjamin says the bottom line for producers is that coverage will increase while premium rates will decrease.

"The biggest news is that we have a significant increase in coverage, from an average of $64 per acre in 2006 to $87 in 2007, and premium rates are going down," explained Benjamin.

Program and contract information is also available in person at any Crop Insurance customer service office, online at www.saskcropinsurance.com, or by calling 1-888-935-0000.

For more information, contact:

Stan Benjamin, General Manager
Saskatchewan Crop Insurance Corporation
Phone: (306) 728-7287

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Phone: (306) 787-5140

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TRUE FISH STORY: FROM LUCKY LAKE TO BROOKLYN

Chances are if you happen to be sitting down to a meal of fresh steelhead trout in Brooklyn, New York, the fish was hatched, raised and harvested here in Saskatchewan.

Steelhead trout, a variety of rainbow trout, are the exclusive product of Wild West Steelhead, an aquaculture farm on Lake Diefenbaker in the Lucky Lake area.

"We are shipping about 80 per cent of our fish straight to the U.S.," Wild West Steelhead General Manager Dean Foss said.

"We have a very large customer in Brooklyn who is a distributor to the Jewish community. Typically, for the New York market, we are shipping by truck on Thursday evening, and it arrives there Sunday."

The aquaculture farm has been in operation for about 14 years, and the name Wild West Steelhead came into being when an Edmonton company purchased the former Saskatchewan Wheat Pool operation in 2004.

The fish are raised in growing pens in the waters of Lake Diefenbaker.

"We take the fish from fertilized eggs hatched out in our hatchery, and after three months, they are moved to the growing cages in the lake," said Foss. "They spend 18 to 24 months out there and are ready for harvest at about the two kilogram size. We process them on site and they are shipped out fresh, packed in ice."

Wild West Steelhead employs 25 people from the local area full-time, with up to five additional staff added during their busiest periods. They produce approximately 1,200 tonnes of live-weight fish per year, representing some 600,000 fish.

"We have made application to expand our operation, because markets are growing faster than we can increase production," said Foss. "That will add up to three new sites, because the original location has reached capacity."

Foss says the Canadian market demand for their product is primarily Saskatchewan, with some shipping to Vancouver, Calgary and Toronto.

Wild West Steelhead trout are on sale at fresh food and health food stores in Saskatoon, Regina, Prince Albert and Osler.

While there is no current certification standard that would label their fish as organic, Foss says there are no antibiotics used in the operation.

The trout are an excellent source of protein and omega fatty acids, and as a long-recognized part of a healthy diet, fish is not subject to the market fluctuations that sometimes affect products caught up in fad diets.

"Like any farmer, our biggest concern is weather," said Foss. "The metabolic rate of fish is set by the water temperature, so in the winter they grow very little. Spring, summer and fall are our growing period. If it gets too hot, that will also slow them down."

Among the skill sets required for their company are certified scuba divers. A number of employees are certified so

that they can dive into the fish pens to remove mortalities and to inspect the containment nets.

Wild West Steelhead is profitable and looking forward to expansion. However, growth of the acqaculture industry in Saskatchewan will require significant capital, according to Foss.

"To grow fish for our markets, you require inputs for two years before you have a source of revenue," he noted.

For more information, contact:

Dean Foss, General Manager
Wild West Steelhead
Phone: (306) 858-2208
Email: dfoss@wildweststeelhead.com
Website: http://www.wildweststeelhead.com/

Government of Saskatchewan

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Phone: (306) 787-5140

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CARBON TRADING A TOP PRIORITY FOR SSCA PRESIDENT

The president of the Saskatchewan Soil Conservation Association (SSCA) says the creation of a national carbon credit trading system will be a top priority for his new term.

Edgar Hammermeister was recently re-elected to a second term as president of the SSCA, and says he wants to build on the association's previous successes.

"We have a very strong brand name for what we have done in the past. We are known for our work on direct seeding, and assisting producers in adopting the new technology that improves the land, protects the water quality, and improves our air," said Hammermeister.

The Alameda producer says carbon trading policy is an all-important issue for his group, which they will work on going forward.

"Carbon issues will continue to be a very high priority for SSCA. Agriculture can make a large contribution to mitigating the impact of greenhouse gases. As a Canadian policy evolves, we want to be directly involved in shaping policy that makes it practical for implementation and rewards the farmers for participating," he stated.

"It all comes down to how complicated the federal government makes the system, and whether farmers would be willing to participate. We don't want to see it die under mounds of paperwork and red tape."

The greenhouse gases most directly related to farmers are carbon dioxide, nitrous oxide, and methane.

"Carbon dioxide comes from the emission from burning fuel in our tractors and trucks. Nitrous oxide comes from how we apply our fertilizers. Methane, for the most part, comes from the livestock industry," explained Hammermeister.

Management practices like direct seeding reduce fuel consumption, which in turn reduces greenhouse gas emissions. Nitrous oxide is a very strong greenhouse gas, but Hammermeister says producers can reduce the impact by fine tuning how, when, and where they apply fertilizer.

It is estimated that Canadian cropland could sequester about 22 million tonnes of atmospheric carbon dioxide per year by using current best management practices. The big question is what structure will be put in place to measure and credit reductions?

Hammermeister says the current interest in the climate change issue is helpful when it comes to expediting the process of setting up a national carbon trading system. However, getting the system right is more important than getting the system right away, he said.

"The concern I have is that perhaps the decision-makers will want to move too quickly. It is very important that a system is set up that considers all aspects, and a system set up in a hurry just creates headaches later on," he stated.

"In one way, it's positive. There is action and interest. But first, the time must be spent to make sure the system is very robust."

For more information, contact:

Edgar Hammermeister, President
Saskatchewan Soil Conservation Association
Phone: (306) 483-7289
Website: http://www.ssca.ca/

Government of Saskatchewan

3085 Albert Street, Regina, Saskatchewan, Canada S4S 0B1
Phone: (306) 787-5140

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